

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

RECORDATION NO. 22331

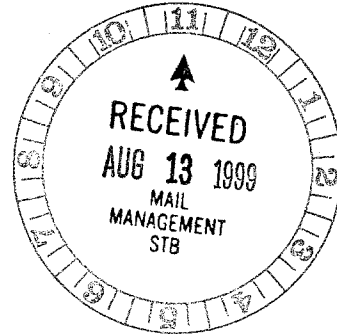
FILED

VIA UPS NEXT DAY AIR

AUG 19 '99

8-30AM

August 12, 1999



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated July 21, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Hampton Railway Inc.
9400 SW Barnes, Ste. 400
Portland, OR 97225-6698

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,

Tiffany Chase
Manager of Documentation

01/643

Enclosures

(HPLS017)

RECORDATION NO. 22337

FILED

EXHIBIT A
to
RIDER NO. 7

AUG 19 '99

8-30AM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 21st day of July, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Hampton Railway, Inc. ("Lessee"), an Oregon corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of November 15, 1996, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No.7 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of March 11, 1999 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: K.A. DombrowskiName: K.A. DombrowskiTitle: DIRECTOR OF DOCUMENTATIONBy: Richard F. Seymour
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & MarketingExecuted on this 21st day of July, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that RICHARD F. SEYMOUR personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 21st day of July, 1999.

Susan Grokulsky
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



LESSEE: HAMPTON RAILWAY, INC.

ATTEST:

By: _____
Name: _____
Title: _____

By: David R. Benson
Name: DAVID R. BENSON
Title: President

Executed on this ____ day of _____, 1999.

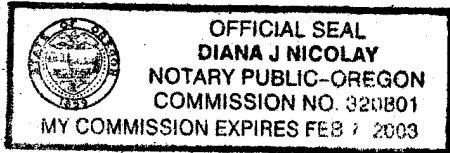
[CORPORATE SEAL]

STATE OF Oregon

COUNTY OF Washington

I, Diana J. Nicolay, a Notary Public of the County and State aforesaid, certify that David R. Benson personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 14th day of July, 1999.



Diana J. Nicolay
Notary Public

My Commission Expires:

February 7, 2003
(Notary Public)

EXHIBIT A
to
MEMORANDUM OF LEASE

Nineteen (19) 60' 6" 100-ton capacity centerbeam flat cars.

HLSC 6000
HLSC 6001
HLSC 6002
HLSC 6003
HLSC 6004
HLSC 6005
HLSC 6007
HLSC 6008
HLSC 6009
HLSC 6010
HLSC 6011
HLSC 6012
HLSC 6013
HLSC 6014
HLSC 6015
HLSC 6018
HLSC 6019
HLSC 6020
HLSC 6021